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# LIVING WITH CHANGE

HOME ECONOMICS  
EXTENSION SERVICE  
U. S. DEPARTMENT  
OF AGRICULTURE

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*"We can stay within this month's budget, if we just take next month's salary!"*

## LIVING WITH CHANGE

You are changing all the time. So is the world. And—so is the economy. Changes in the economy affect the amount of money you have, the cost and availability of goods and services you buy, as well as where and how you live.

Do you expect and plan for change? To deal with the present and plan for the future, you need to understand changes taking place, and how they affect you. Then you need to determine how to **live with these changes.**

## WHAT CHANGES ARE COMING?

No one knows exactly what's going to happen in the next few years, but you'll probably find that:

- Costs for just about everything will continue to rise.
- Average incomes will increase at a slightly faster pace than costs of goods and services, but some incomes will not.
- Energy use will need to be considered in all decisionmaking.
- Goals will change as natural and other resources become limited.

## WHAT CHOICES DO YOU HAVE?

You have choices about how you'll use resources. The decisions you make, or fail to make, about their use will affect your lifestyle (how you live) and quality of life (how well you live).

What are your resources? Money is an important material resource. Others are



*"When I grow up, I'm going to law school  
to become a consumer . . ."*



the goods (car, furniture, etc.) and real estate (house, farm, etc.) that you own.

You have human resources too, such as knowledge, skills, and energy.

You also have other resources such as community services and natural resources. Some think of credit as a resource.

Do **you** know and use all the resources available to you? Do they provide the level of living you want? How about the future? Will your resources provide the future level of living you want?

If your present resources **don't** provide you the life you want, you can:

1. **Buy less and have less.**
2. **Use your income and other resources to better advantage. You may buy more with less money,** or you may care for and repair things you have so they will last longer.
3. **Increase your resources.** Usually, this means that you increase family income, produce more goods and services yourself, or use more community services.

Many people are using their resources in each of these ways as they adjust to a changing economy.

## CAN YOU MANAGE MONEY?

First, look at what you have to spend each month **after** taxes.

Next, keep records for a month to see where your money goes.

List other payments you make at certain times of the year, such as car insurance, life insurance, car license, etc. Figure how much these cost per month.

List how much you are spending on installment payments each month. Figure when these debts will be paid in full.

List how much you are saving each month.

List the major expenses you now have. What will your major expenses be next month? Next year?

By now, you should be able to answer these questions:

- What is your income?
- What are you spending?
- What are you saving?

The next, big question is, how will you adjust to costs as they go UP? Will your income keep pace? What are your plans for making spending and saving balance, or equal to your income in the future?

Are you planning for the unexpected—unemployment, accident, illness, re-



placement of car, etc.? Are you saving to meet these future needs?

## CAN CREDIT HELP YOU?

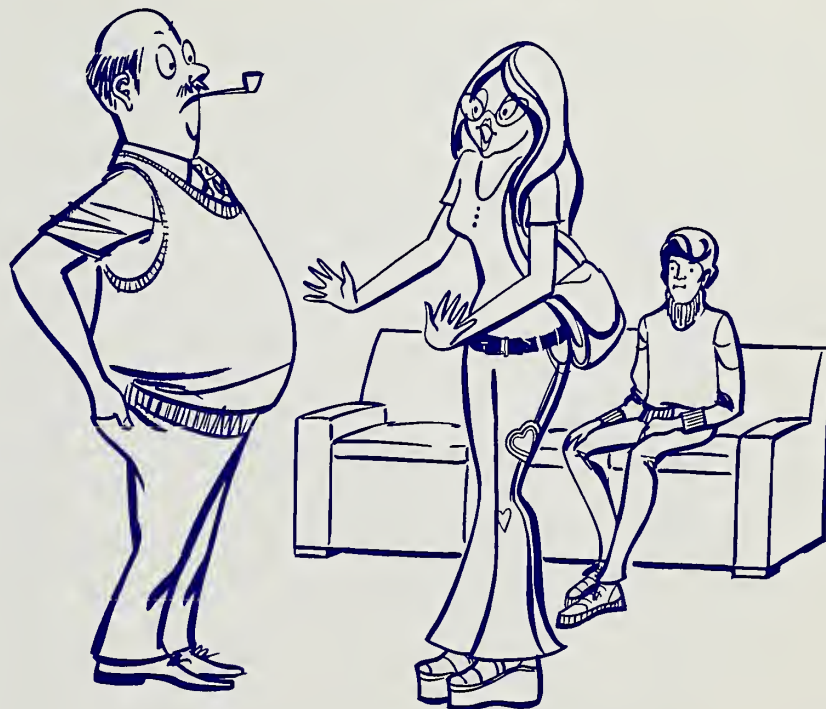
Credit may or may not help depending upon how you use it. It allows you to pay for things as you use them. **But**, it commits future income to pay for what you bought plus the cost of the credit in installment payments.

As prices go up, people may need to reduce the amount of income going into installment payments in order to have the money they need for increasing costs of household operation, gas for transportation, etc.

Few people can pay cash for large items such as cars. But—most could reduce the amount they borrow, and the size payments they make, if they saved and made a larger down payment.

You can cut credit costs by being a good credit risk. You can also cut costs by shopping for credit at the least cost. (Credit unions and banks usually offer the lowest interest rates.)

When comparing interest rates, ask for the Annual Percentage Rate (APR). The smaller the APR, the lower the cost of credit.



*"No, I will not ask him about his credit rating on our first date!"*

## BUT, TELL ME— HOW CAN I LIVE WITH CHANGE?

- Since most of your income goes for housing, food, and transportation, why not decide what you can do to extend your resources in these areas?
- Examine your present insurance coverage. Explore how you might maintain adequate life, health, and liability insurance at a lower cost.



*"Harry, We need a new washing machine.  
We need to make a decision."*

- Use reliable information when making expensive purchases. Don't just buy on the promise of an advertisement. Use your resources to get the information you need. Check with your:
  - ... local Cooperative Extension Service
  - ... library
  - ... the Consumer Product Information Center, Public Documents Distribution Center, Pueblo, Colorado 81009
  - ... the Superintendent of Documents, U.S.



*"Yeah. Yeah. I know, Doris. Let's wait awhile.  
Maybe the prices will come down."*



Government Printing Office, Washington,  
D. C. 20402

- Improve do-it-yourself skills so you can do more to earn additional income, and care for your property.
- Keep up-to-date on what's happening in the Nation and the world. Economic, political, technological, and social changes affect **you**.

- Plan ahead for any change in your lifestyle you need to make.

**Your future is up to you. The better you are at *living with change*, the more you'll enjoy a rich, satisfying life in the days, months, and years ahead.**

Appreciation is expressed to the Cooperative Extension Services of the University of Wisconsin and Kansas State University for their assistance with the illustrations in this publication.



*"I'm going to call the county home economist at our local Extension Service. She will help us decide."*



*"Home economist? County Extension Service? Hmm. Good idea!"*

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